

Google—further supplementary written evidence (FOJ0108)

Thank you for your letter dated 21 July. Please find our responses to your questions below, which I hope the Committee will find useful as it continues its work on this critical topic.

1. Please confirm that there is no precedent for Google’s role in the open display advertising market.

Google is not aware of direct analogies but notes that the CMA Market Study Final Report acknowledges that “a form of operational separation [between Google’s Ad Manager and demand-side platform businesses] is already in place for Google’s internal purposes” (¶8.202). It also provides important findings that Google is taking steps to balance the interests of advertisers and publishers (see more in response to Q3).

2. Please provide further details on the process of designing algorithms.

Google’s systems do not make subjective determinations about the truthfulness of sources, but rather focus on measurable signals that correlate with how users and other websites value the expertise, trustworthiness, and authoritativeness of a webpage on the topics it covers.

In order to assess trustworthiness and authority on its subject matter, we look for sites that many users seem to value for similar queries. The best known of these signals is PageRank, which uses links between websites to understand authoritativeness. If other prominent websites on the subject link to the page, that’s a good sign that the information is of high quality. This is the seminal insight upon which Google Search was founded and the original paper in which it is set out is available [here](#).

To ensure the quality of results, Google then works with external Search Quality Raters to measure the quality of search results on an ongoing basis. Raters assess how well a website gives people who click on it what they are looking for, and evaluate the quality of results based on the content. These ratings do not directly impact ranking, but they do help Google benchmark the quality of results and make sure these meet a high bar all around the world. In 2019 alone, Google ran over 464,065 experiments including with external Search Evaluators and live user tests, to ensure the quality of search results.

For a consistent approach, Google publishes the Search Quality Rater Guidelines provided to Raters which give guidance and examples for rating. These are publicly available and can be found [here](#), in addition to the [Webmaster Guidelines](#), which provide website owners with general guidelines on how pages are ranked.

Regarding Google News specifically, a study by the Economist evaluated claims of bias in Google News results and took into account issues such as the credibility of the outlets and frequency with which publications wrote about certain topics.¹ It found no evidence of ideological bias. A further follow-up analysis reaffirmed The Economist’s previous conclusion that Google’s systems do not favour any political leaning, but rather reward reputable reporting.² This study attempted to more closely approximate how Google’s systems work

¹ The Economist (2018) [Googling the News](#)

² The Economist (2019) [Google rewards reputable reporting, not left-wing politics](#)

by mapping its methodology to Google’s Search Quality Rater Guidelines. A Stanford study arrived at similar conclusions.³

More information on how Google ranks pages is available on the website “[How Search Works](#)” along with the news-focused site, “[How News Works](#)”.

3. What is your reaction to the findings of the CMA market study on online platforms and digital advertising?

Google welcomes the CMA Market Study Final Report. The report provides a thorough examination of the digital advertising market, acknowledging: the “highly valuable services” online platforms provide users; that “intermediaries are performing valuable functions”; as well as Google’s efforts to balance the interests of both advertisers and publishers.

The report has a number of findings that are relevant to the Committee’s inquiry into the future of journalism, in particular that:

- Changes Google has made to information shared with advertisers were motivated by the need to make the auction more efficient and balance publisher and advertiser interests:
 - “Our analysis suggests that Google’s decision to provide ‘minimum bid to win’ information was based on a genuine intention of making the auction more efficient and did not reflect an exclusionary intent”. (¶5.288)
 - “The documents we have reviewed suggest that the changes [to bidding data shared] introduced by Google were not motivated by a desire to penalise third-party SSPs but were the result of the necessity to balance the needs of publishers with the interests of advertisers”. (¶5.291)
- Through a detailed analysis, it finds that Google’s ad tech fees are comparable to (slightly lower than) other intermediaries. In direct response to concerns raised by publishers, the CMA “[has] not found evidence that Google is systematically charging higher prices or is currently extracting significant hidden fees.” (¶5.242, 5,297).
- It also found that the fees Google charges are in-line with those of competitors: “The fees charged by Google for its intermediation services, both on the buy- and on the sell-side, are similar to those of its competitors.” (¶5.239)

The report also acknowledges where publishers explicitly recognise the value of Google’s services. It notes “one specific advantage mentioned by publishers of the integration between Google’s ad server and Adx is the ease to set up and run programmatic guaranteed campaigns” (Appendix M, ¶133). Importantly, these are the campaigns through which publishers can retain 95% of revenues generated on Ad Manager, as Google has previously shared with the Committee.⁴

Regarding Google’s announcement to phase-out third party cookies on Google Chrome, Google’s goal for this open source initiative is to make the web more private and secure for users, while also supporting publishers. As set out in a recent blog, Google will work extensively with users, publishers and advertisers to develop the tools and technologies required to deliver an ad-supported web that enhances privacy.⁵ The motivation comes from user demands for greater privacy, including transparency, choice and control over how their

³ As discussed in this 2019 Futurity article: <https://www.futurity.org/search-results-bias-politics-2221442/>

⁴ Google (2020) [A look at how news publishers make money with Ad Manager](#)

⁵ Google (2020) [Building a more private web: A path towards making third party cookies obsolete](#)

data is used. Google believes the web ecosystem needs to evolve to meet these increasing demands.

Some browsers have reacted to these concerns by blocking third-party cookies, but Google believes this has consequences that can negatively impact both users and the web ecosystem. By undermining the business model of many ad-supported websites, blunt approaches to cookies encourage the use of opaque techniques such as fingerprinting (an invasive workaround to replace cookies), which can actually reduce user privacy and control. That is why Google's publicly stated approach is to work closely with the entire ecosystem, including publishers, to ensure that any future approach balances the interests of all those involved. More information on the approach and timeframes is available in the blog.

Google welcomes the creation of the Digital Markets Unit and will continue to engage constructively as it considers next steps. Well-designed regulation benefits suppliers, customers, and consumers in digital markets. Independent regulators give consumers confidence that their interests are being protected as they shop, search, and socialise online. And protection against opaque or unfair practices means business customers will be more likely to use intermediary platforms in the long run.

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